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HEALING HOUSE, INC.

Compiled Financial Report

For the Year Ended December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-17-06

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
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Gerald A. Thibodeaux, Jr., CPA*
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Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Chris E. Bilski, CPA

Retired.
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

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WEB SITE:
WWW.KCSRPCAS.COM

ACCOUNTANTS REPORT

To the Board of Directors
Healing House, Inc.
Lafayette, Louisiana

We have compiled the accompanying statement of financial position of Healing House, Inc. as of December 31, 2005, and the related statement of activities, functional expenses, and cash flows for the year then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of Healing House, Inc. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

We have compiled the supplementary information from information that is the representation of management without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Healing House, Inc.'s financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 23, 2006

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS

HEALING HOUSE, INC.
Lafayette, Louisiana

Statement of Financial Position
December 31, 2005

ASSETS

Current assets:

Cash & cash equivalents	\$80,547
Prepaid insurance	<u>5,230</u>
Total current assets	<u>85,777</u>

Non-current assets:

Equipment	15,911
Leasehold Improvements	14,482
Accumulated depreciation	<u>(24,399)</u>
Total non-current assets	<u>5,994</u>

Total assets	<u>\$91,771</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Payroll withholdings payable	\$ 2,153
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Net assets:

Unrestricted	<u>89,618</u>
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Total liabilities and net assets	<u>\$91,771</u>
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See Accountants Compilation Report.

HEALING HOUSE, INC.
Lafayette, Louisiana

Statement of Activities
For the Year Ended December 31, 2005

Changes In Unrestricted Net Assets:

Grants -

Local:

Lafayette Consolidated Government

\$ 16,740

Junior League of Lafayette

2,860

Others

4,250

Contributions from supporters

67,378

Fundraising

46,951

Interest income

435

Other income

2,444

Total income

141,058

Expenses:

Program services

96,362

General and administrative

12,389

Fundraising expense

10,982

Total expenses

119,733

Increase in unrestricted net assets

21,326

Unrestricted net assets, beginning of year

68,292

Unrestricted net assets, end of year

\$ 89,618

See Accountants Compilation Report.

HEALING HOUSE, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2005

	Program Services	General & Administrative	Fundraising	Totals
Wages and taxes	\$ 80,224	\$ -	\$ -	\$ 80,224
Accounting	-	801	-	801
Contractual	-	340	-	340
Bank service charge	-	154	-	154
Advertising	-	430	1,720	2,150
Depreciation	-	1,000	-	1,000
Dues	-	411	-	411
Fundraising expense	-	-	9,262	9,262
Insurance	5,421	-	-	5,421
Miscellaneous	27	214	-	241
Resource library expense	682	-	-	682
Postage	-	949	-	949
Security alarm	-	359	-	359
Repairs and maintenance	-	222	-	222
Secretary	-	623	-	623
Supplies	5,184	1,418	-	6,602
Staff development	300	945	-	1,245
Telephone	1,644	1,644	-	3,288
Travel	1,015	1,014	-	2,029
Training	815	815	-	1,630
Utilities	1,050	1,050	-	2,100
	<u>1,050</u>	<u>1,050</u>	<u>-</u>	<u>2,100</u>
Total expenses	<u>\$ 96,362</u>	<u>\$12,389</u>	<u>\$10,982</u>	<u>\$119,733</u>

See Accountants Compilation Report.

HEALING HOUSE, INC.
Lafayette, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2005

Cash Flows From Operating Activities:

Increase in net assets	<u>\$ 21,326</u>
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Adjustments to reconcile change in net assets to net cash
provided by operating activities-

Depreciation	1,000
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Increase in payables	<u>301</u>
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Total adjustments	<u>1,301</u>
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Net cash used by operating activities	22,627
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Cash and cash equivalents, beginning of year	<u>57,920</u>
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Cash and cash equivalents, end of year	<u>\$ 80,547</u>
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See Accountants Compilation Report.

SUPPLEMENTAL INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORTABLE CONDITIONS LETTER

WEB SITE:
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To the Board of Directors
Healing House, Inc.
Lafayette, Louisiana

In performing our compilation of the financial statements of Healing House, Inc. (a nonprofit organization) for the year ended December 31, 2005, we noted a certain matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the organization's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weakness as defined above. However, we noted the following reportable condition that we believe to be a material weakness.

Due to the small number of employees, inadequate segregation of accounting functions exist within the organization.

This letter is intended solely for the information and use of the board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this letter is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 23, 2006

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HEALING HOUSE, INC.
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Findings
and Corrective Action Plan
December 31, 2005

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
CURRENT YEAR (12/31/05) --						
<u>Internal Control:</u>						
00-1(IC)	2000	Due to the small number of employees, there was inadequate segregation of accounting functions.	No	Based upon current operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Heather Blanchard, Executive Director	N/A
PRIOR YEAR (12/31/04) --						
<u>Internal Control:</u>						
00-1(IC)	2000	Due to the small number of employees, there was inadequate segregation of accounting functions.	No			